

# House File 258 - Enrolled

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HOUSE FILE 258

AN ACT

RELATING TO THE DUTIES OF DIRECTORS OF NONPROFIT CORPORATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 504.831, subsections 2 and 4, Code 2007, are amended to read as follows:

2. The members of the board of directors or a committee of the board, when becoming informed in connection with their decision-making functions or when devoting attention to their oversight functions, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances.

4. In discharging board or committee duties, a director who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the persons specified in subsection 5.

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PATRICK J. MURPHY  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 258, Eighty-second General Assembly.

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MARK BRANDSGARD  
Chief Clerk of the House

Approved \_\_\_\_\_, 2007

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CHESTER J. CULVER  
Governor